

## Message Text

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ACTION PM-03

INFO OCT-01 EA-06 ISO-00 NSC-05 SP-02 SS-15 RSC-01 MC-01

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OMB-01 TRSE-00 /056 W

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R 280240Z DEC 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 7665

SECDEF WASHDC//DS//

INFO CINCPAC//J8//

DA WASHDC//DALO-IL//

CSAF WASHDC//LGFX//

CNO WASHDC

C O N F I D E N T I A L SEOUL 8618

JOINT EMBASSY/JUSMAG-K MESSAGE

EO 11652: GDS

TAGS: MASS, KS

SUBJECT: 20MM AMMUNITION PRODUCTION

1. THE ROK MINISTRY OF NATIONAL DEFENSE HAS ESTABLISHED A REQUIREMENT TO DEVELOP AN IN-COUNTRY PRODUCTION CAPABILITY FOR 20MM M50-SERIES AMMUNITION USED IN ROK ARMY VULCAN AIR DEFENSE SYSTEMS AND ROK AIR FORCE AIRCRAFT M39 AND M61 GUN SYSTEMS. THEY HAVE DIRECTED THAT THIS CAPABILITY BE ESTABLISHED BY THE POONGSAN METALS COMPANY, ONE OF 45 ROK PRIVATE FIRMS CURRENTLY DESIGNATED BY ROKG AS DEFENSE INDUSTRIES.

2. POONGSAN METALS COMPANY IS THE FIRM CURRENTLY PRODUCING ALL ROK FORCES CAL .30 AMMUNITION (M1 RIFLE AND CARBINE), USING EQUIPMENT PROCURED COMMERCIALY AS EXCESS FROM U.S. AMRON CORPORATION IN 1972. THEY ALSO ARE PRODUCING 60MM AND 81MM MORTAR AMMUNITION AND ARE PROTOTYPING 105MM  
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HOWITZER AMMUNITION.

3. POONGSAN METALS RECENTLY ELICITED A PROPOSAL FROM THE GREENWICH METAL CORPORATION OF NEW YORK FOR THE COMMERCIAL SALE, SUBJECT TO USG APPROVAL, OF A 20MM PRODUCTION LINE. WE UNDERSTAND THIS LINE ALSO WAS ORIGINALLY OWNED AND OPERATED BY AMRON CORPORATION IN WAUKESHA, WISCONSIN AND BECAME EXCESS TO THEIR NEEDS. PROPOSED SALE PRICE IS ABOUT \$4.4 MILLION, COVERING TECHNICAL ASSISTANCE, TECHNICAL DATA AND EQUIPMENT TO MANUFACTURE METAL PARTS AND PERFORM LOAD, ASSEMBLY AND PACK OPERATIONS. PRODUCTION CAPACITY WOULD BE THREE TO FOUR MILLION ROUNDS PER YEAR ON A SINGLE-SHIFT, SIX-DAY-PER-WEEK BASIS. TARGET DATE FOR PRODUCTION START-UP IS LATE CY 1975.

4. ESTIMATED ROK REQUIREMENTS FOR 20MM AMMO ARE AS FOLLOWS:

A. WHEN DELIVERIES OF CURRENTLY SCHEDULED MAP-FURNISHED F-5E AIRCRAFT AND VULCAN AIR DEFENSE SYSTEMS (VADS) ARE COMPLETED, WE ESTIMATE ROK REQUIREMENT FOR M50-SERIES 20MM TRAINING AMMO WILL BE ABOUT 1.1 MILLION ROUNDS ANNUALLY.

B. IF CURRENT ROK PLANS TO CO-PRODUCE UP TO 500 ADDITIONAL VADS AND BUY/CO-PRODUCE 60 ADDITIONAL FIGHTER AIRCRAFT ARE IMPLEMENTED, TOTAL TRAINING REQUIREMENTS WOULD REACH ABOUT THREE MILLION ROUNDS ANNUALLY.

C. THERE IS A CURRENT SHORTFALL OF THREE MILLION ROUNDS OF M50-SERIES AMMO FOR ROK WAR RESERVE WHICH WILL INCREASE TO NINE MILLION ROUNDS IF THE ADDITIONAL VADS AND AIRCRAFT ARE CO-PRODUCED.

D. IF SUITABLE ADDITIONAL TOOLING AND FIXTURES ARE ADDED TO THE PROPOSED PRODUCTION LINE, IT COULD PRESUMABLY BE USED TO PRODUCE US NAVY-TYPE 20MM AMMO, FOR WHICH ROK NAVY HAS A REQUIREMENT IN THE ORDER OF 100,000 ROUNDS PER YEAR.

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5. CURRENT OUTLOOK AS KNOWN HERE FOR ROK PROCUREMENT OF 20MM AMMO FROM U.S. IS AS FOLLOWS:

A. ROK IS CURRENTLY PROCURING VADS TRAINING REQUIREMENTS FROM DA VIA FMS WITH LEAD TIMES OF ABOUT 12 MONTHS.

B. WE UNDERSTAND THAT LEAD TIMES FOR TACTICAL (WAR RESERVE)

VADS AMMO ARE CURRENTLY 12-18 MONTHS AND MAY LENGTHEN  
AS RESULT OF INCREASED DA COMMITMENTS TO OTHER COUNTRIES.

C. ROK WAS RECENTLY UNSUCCESSFUL IN PROCURING  
ROKAF AIRCRAFT CANNON TRAINING AMMO VIA FMS AND WERE  
ADVISED BY HQ USAF TO PROCURE COMMERCIALY.

6. EMBASSY/JUSMAG-K BELIEVE ROK PLAN IS JUSTIFIABLE  
IN VIEW OF KOREA'S SUBSTANTIAL IN-COUNTRY REQUIREMENTS  
FOR 20MM AMMUNITION, LENGTHENING LEAD TIMES ON  
DELIVERY FROM U.S. SOURCES, AND FACT THAT WE  
HAVE APPROVED OTHER SMALL ARMS AMMO PRODUCTION.  
ACCORDINGLY, WE RECOMMEND WASHINGTON AGENCIES  
APPROVE THIS PROPOSAL.  
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## Message Attributes

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